

INTERNATIONAL BUSINESS NEWS – JANUARY 2006

U.S. Department of Commerce

International Trade Administration – U.S. Export Assistance Center

425 West Capitol Avenue, Suite 700, Little Rock AR. 72201

Phone: 501-324-5794 Fax: 501-324-7380

little.rock.office.box@mail.doc.gov http://www.buyusa.gov/arkansas

Dennis Millard, International Trade Specialist

Ray Riggs, International Trade Specialist

Mary Hayward, Export Assistance Specialist



MOROCCO FREE TRADE PACT AGREEMENT TO TAKE EFFECT JANUARY 1, 2006

**By David Shelby
Washington File Staff Writer
From U.S. State Department Website**

Washington -- In anticipation of the January 1, 2006, entry into force of the U.S.-Morocco Free Trade Agreement, President Bush issued a proclamation December 22 on adjusting tariffs on imports from Morocco and authorizing the commerce secretary to take actions to support the implementation of the pact.

Signed in June 2004, the U.S.-Morocco pact immediately will eliminate import tariffs on more than 95 percent of bilateral trade in consumer and industrial products, with a gradual reduction of remaining tariffs over a nine-year period. It also will create new opportunities for trade in services and agricultural products, according to the Office of the U.S. Trade Representative (USTR). (See related article.)

<http://usinfo.state.gov/mena/Archive/2004/Jun/16-292521.html>

Morocco is the second Arab country to enter into a free trade agreement with the United States. Since Jordan entered into a similar agreement in 2000, its exports to the United States have grown from \$31 million to an expected \$1.3 billion in 2005.

Both houses of the U.S. Congress recently have approved a free-trade agreement with Bahrain. Negotiations also are under way for agreements with Oman and the United Arab Emirates.

President Bush has stated a goal of knitting together the various bilateral agreements into a larger Middle East free-trade zone by 2013. (See [U.S.-Middle East Free Trade Area](#).)

The [final text](#) of the Morocco trade agreement is available on the USTR Web site, and the text of the president's December 22 [proclamation](#) on the White House Web site.

U.S. PREPARED TO IMPLEMENT CENTRAL AMERICA FREE-TRADE AGREEMENT

**Office of the U.S. Trade Representative
Executive Office of the President
Washington, D.C - December 19, 2005**

The United States is prepared to implement, as soon as possible, its recently ratified free-trade agreement with the Dominican Republic and the nations of Central America once those countries "have taken sufficient steps to complete their commitments" under the terms of the trade pact, says Christin Baker, spokesperson of the Office of the U.S. Trade Representative.

In a statement issued December 19, Baker explained that the United States would like the trade pact (known as CAFTA-DR) "to start as close as possible to January 1, 2006, so that U.S. and regional businesses can begin taking advantage" of its benefits "in the shortest possible time."

CAFTA-DR stipulates that the signatory countries are obligated to adopt and enforce new laws that protect workers' rights and the environment, as a condition for preferential access to U.S. and regional markets. "The United States is prepared to have the CAFTA-DR enter into force as early as January 1, but only with countries that have made sufficient progress in adopting new laws and regulations where necessary," Baker said. "We will move forward as long as at least one country is prepared, and will accommodate new entrants as they become ready."

Meanwhile, "countries can continue to enjoy existing [trade] preferences while they work with the United States to come on board" as full partners in CAFTA-DR, Baker added.

For additional information, see [Central America - Dominican Republic Free Trade Agreement](#)

**UNITED STATES AND KOREAN PATENT
OFFICES ENTER INTO AGREEMENT ON
INTERNATIONAL SEARCH AND
EXAMINATION SERVICES**

Part of USPTO effort to reduce backlog of U.S. national patent applications The U.S. Patent and Trademark Office (USPTO) and the Korean Intellectual Property Office (KIPO) entered into an agreement this week in which KIPO will act as an available international searching and examining authority for international applications filed with the USPTO under the Patent Cooperation Treaty (PCT). The agreement will allow applicants additional flexibility to choose a given international authority based on the technology disclosed in the international application, speed of services provided and cost of obtaining searches and examination of international applications. The agreement goes into effect January 1, 2006. Additionally, this action will benefit the ongoing USPTO efforts to bring down the growing backlog of U.S. national patent applications waiting to be examined.

The USPTO receives over 350,000 patent applications per year. If PCT applicants take advantage of the availability of KIPO to perform international searches and examinations, the USPTO can dedicate more resources to reducing the backlog of pending national applications, with the goal of increasing productivity and quality.

Under the terms of the agreement, an applicant designating KIPO as the International Searching Authority (ISA) will pay a search fee of \$218 instead of \$300 or \$1000, as applicable if the USPTO is the ISA. An applicant designating KIPO as the International Preliminary Examining Authority (IPEA) will pay an international examination fee to KIPO equivalent of \$218 instead of \$600 or \$750, as applicable if the USPTO is the IPEA. Applicants filing international applications with the USPTO may, generally, also elect to have them searched and/or examined at the European Patent Office.

The PCT is an international agreement that simplifies the filing of patent applications in its 128 member states. A PCT application may be used as a national application for a patent in any of the designated PCT countries. International applicants request PCT search and examination reports to help them determine if an application meets basic patent criteria before committing to the high cost of translating and filing an application in one or more PCT countries. The USPTO and KIPO are among the national patent offices authorized to conduct PCT searches and examinations.

**SBA INCREASES SMALL BUSINESS SIZE
STANDARDS TO ACCOUNT FOR INFLATION**

Contact: Tiffani Clements (202) 401-0035
Release Number: 05-76 Internet Address:
<http://www.sba.gov/news>

The U.S. Small Business Administration has increased its small business size standards to account for inflation, restoring small business eligibility to those firms that may have lost their small business status because of inflation since February 2002.

SBA has adjusted its dollar-based small business size standards, which are based on receipts, net worth and financial assets, to reflect inflation that has occurred since February 2002, when SBA last adjusted them for the same reason. Since the February 2002 inflation adjustment, prices have generally increased 8.7 percent. SBA increased the familiar "anchor" size standard from \$6.0 million to \$6.5 million. Size standards that are higher than \$6 million also reflect similar percentage increases.

"These changes to our size standards and eligibility criteria will ensure that growing small businesses whose growth has matched the inflation rate will continue to have access to SBA's financial and contracting assistance programs," said SBA Administrator Hector V. Barreto. "We decided to make these changes immediately, rather than wait, because of the pressing needs that so many small businesses have in the Gulf Coast and in Florida from the recent destructive hurricanes."

SBA also changed how it determines the size of small business concerns when they apply for SBA Business Loans and for Economic Injury Disaster Loans (EIDL). Instead of looking only at the loan applicant's primary industry, SBA now looks at both its primary industry and the primary industry of the applicant together with its affiliates. This will provide additional assistance to small businesses that have subsidiaries and affiliates.

SBA also changed procedures for determining size status for the purpose of EIDL applications for businesses located in disaster areas declared because of Hurricanes Katrina, Rita, and Wilma. For an EIDL loan, instead of having to show it was a small business when these hurricanes struck, the firm only has to fit the new small business size standard when SBA accepts its application for processing.

SBA issued an Interim Final Rule on December 6, 2005, and the revised size standards took effect the same day for its loan programs. For federal procurement, the new size standards become effective on January 5, 2006.

SEVEN REGULATORY CHALLENGES WILL DRIVE EXPORT COMPLIANCE IN 2006

This month's edition of "Managing Exports & Imports" features an excellent article on the above subject matter. Written by Bernie Hart, global product executive, JP Morgan Chase Vastera, the article gives an analysis of seven key export compliance trends developing over the next several months. Contact us at 501-324-5794, fax 7380, or little.rock.office.box@mail.doc.gov for a copy of this article.

ARGENTINA: FOREIGN FIRMS EXEMPTED FROM 21% IVA TAX FOR TRADE SHOWS by Diana Brandon, Commercial Specialist U.S. Commercial Service, Buenos Aires, Argentina

In December 2005 the Argentine Congress approved a law for foreign participation in local events. Foreigners who wish to rent space and/or participate in local congresses, shows and exhibitions will be exempt of paying the 21% "Impuesto al Valor Agregado – IVA" (Value Added Tax.) For more information contact Diana Brandon Diana.Brandon@mail.doc.gov

ENTREPRENEUR WORKSHOP JAN. 25 AT ARKANSAS STATE UNIVERSITY

A conference featuring panel discussions on how to successfully launch a technology-based business will be held at the Arkansas Biosciences Institute of Arkansas State University in Jonesboro. The entrepreneur workshop, "Growing a Technology Business," will run from 9 a.m. to 4 p.m. on Jan. 25. and is open to students, faculty and the community. Panelists will be Robert Morris of Butler, Snow, O'Mara, Stevens & Cannada; Brad Greenway, Arkansas Department of Economic Development; John Ahlen, Arkansas Science and Technology Authority; Carole Cramer, Arkansas Biosciences Institute; David Radin, technology program development at ASU; Selester Bennett, Nature Diagnostics Inc.; John Howard, Applied Biotechnology Institute; Tina Cunningham, technology transfer at ASU; and Elizabeth Hood, associate vice chancellor for research and technology transfer at ASU. Registration is required, and cost, including lunch, is \$40 per person, \$20 for students. More information is available at <http://www.asbdc.ualr.edu/tech/> or by calling Elizabeth Hood at (870) 972-2694

MARCH-APRIL 2006 ISSUE OF COMMERCIAL NEWS USA TO FEATURE INDUSTRIAL EQUIPMENT AND MANUFACTURING SECTION

Commercial News USA is planning a special Industrial Equipment and Manufacturing Section as part of the March-April 06 issue. Copies will be distributed through the Commerce Department's International Buyer Program to foreign buyers who attend trade shows as well as to international trade and catalog shows throughout 2006. This special Industrial Equipment and Manufacturing section has special pricing for advertisers. There's a 2-for-1 offer for full and half pages, where for every full or half page ad, advertisers receive a free full or half page for an advertorial. Also, display advertisers can receive a 50% discount on the third insertion if 3 ads are booked. To reserve space in the next issue, please use the form on our web site at <http://www.export.gov/cnusa> or call 800-581-8533. **Note: The deadline for advertising in the March-April 2006 issue is January 13.**

We hope you've enjoyed this edition of our newsletter. Any mention of non-government sources does not constitute endorsement. Contact us at little.rock.office.box@mail.doc.gov <http://www.buyusa.gov/arkansas>
Phone: 501-324-5794 Fax: 501-324-7380